

To the Members of the California State Assembly:

I am returning Assembly Bill 1862 without my signature.

Last minute amendments were taken to this bill in an attempt to clarify the ability of pharmacies and others to contract out certain practices related to the payment of services. While such a clarification may be justifiable and necessary, concerns have been raised that the amendments may have unintended consequences. For instance, we must ensure that third-party billing does not interfere with the medical utilization controls enacted through recent reforms. I am also concerned that the provisions of this bill could undermine existing law that ensures that only medical professionals prepare non-clerical portions of mandated reports.

Sincerely,

Arnold Schwarzenegger